

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 896

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

H. Diane Snyder

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN INCOME TAX CREDIT FOR  
TAXPAYERS OVER THE AGE OF FORTY-FIVE FOR AMOUNTS PAID AS  
PREMIUMS FOR QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS  
DEFINED IN SECTION 7702(B) (b) OF THE INTERNAL REVENUE CODE OF  
1986.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted  
to read:

"NEW MATERIAL CREDIT--LONG-TERM CARE INSURANCE CONTRACT  
PREMIUMS. --

A. A taxpayer who files an individual New Mexico  
income tax return and who is not a dependent of another  
individual may claim a credit in an amount determined pursuant  
to Subsection B of this section for amounts paid as premiums

underscored material = new  
[bracketed material] = delete

1 for qualified long-term care insurance contracts defined in  
2 Section 7702(B)(b) of the Internal Revenue Code if the premiums  
3 have not been included in the taxpayer's itemized deductions,  
4 as defined in Section 63 of the Internal Revenue Code and if  
5 the amounts paid as premiums have not been claimed as part of a  
6 deduction claimed pursuant to Section 7-2-35 NMSA 1978.

7 B. The credit provided in Subsection A of this  
8 section may be claimed in an amount equal to the following  
9 percentages of amounts paid as premiums for qualified long-term  
10 care insurance contracts defined in Section 7702(B)(b) of the  
11 Internal Revenue Code during the taxable year based on the  
12 taxpayer's age as follows:

13 (1) twenty-five percent for taxpayers of at  
14 least forty-five years of age but under fifty years of age;

15 (2) thirty-seven and one-half percent for  
16 taxpayers of at least fifty years of age but under fifty-five  
17 years of age;

18 (3) fifty percent for taxpayers of at least  
19 fifty-five years of age but under sixty years of age;

20 (4) sixty-two and one-half percent for  
21 taxpayers of at least sixty years of age but under sixty-five  
22 years of age; and

23 (5) seventy-five percent for taxpayers of at  
24 least sixty-five years of age.

25 C. A husband and wife who file separate returns for

. 155450. 1

underscored material = new  
[bracketed material] = delete

1 the taxable year in which they could have filed a joint return  
2 may each claim only one-half of the credit that would have been  
3 allowed on the joint return. "

4 Section 2. APPLICABILITY. --The provisions of this act  
5 apply to taxable years beginning on or after January 1, 2005.

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25